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**JEFFREY M. NELSON**  
Chief Legal Officer

October 29, 2019

**VIA ELECTRONIC FILING**

Jocelyn G. Boyd, Esquire  
Chief Clerk & Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210

RE: Petition of Duke Energy Carolinas, LLC for Approval of Ground Lease Agreement with  
Anderson County, South Carolina  
**Docket No. 2019-323-E**

Dear Ms. Boyd:

By this letter, the South Carolina Office of Regulatory Staff ("ORS") hereby notifies the Public Service Commission of South Carolina ("Commission") that ORS has reviewed the filing submitted by Duke Energy Carolinas, LLC ("DEC") requesting the Commission approve the ground lease agreement with Anderson County, S.C ("Agreement").

**Overview of Company's Request**

The land addressed in the Agreement is adjacent to the Anderson County Civic Center ("Civic Center") and will be used to site an energy storage facility ("Facility") that will serve the Civic Center. DEC has requested the Commission approve certain portions of the Agreement, specifically Section 5 of the Agreement by which DEC agrees to provide back-up power to the Civic Center in the event of an outage. Section 5 of the Agreement states:

**"Rent.** No rent shall be paid by Tenant to Landlord. In lieu of paying rent, Tenant shall install, maintain and operate the Energy Storage System to provide backup power to Landlord's Anderson Civic Center in the event of a grid outage."

DEC has not requested the Commission approve any other Sections of the Agreement. S.C. Code Ann. 58-27-840 states:

“No electrical utility, distribution electric cooperative or consolidated political subdivision shall, as to rates or services, make or grant any unreasonable preference or advantage to any person, corporation, municipality or consolidated political subdivision to its unreasonable prejudice or disadvantage...”

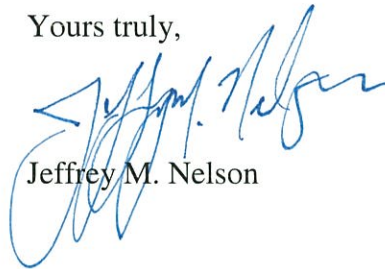
Additionally, DEC’s request does not address cost recovery or special accounting treatment for the Facility.

**ORS Recommendation**

ORS recommends the Commission approve Section 5 of the Agreement. ORS does not believe that Section 5 of the Agreement provides any unreasonable preference or advantage to the Civic Center. While DEC has not requested approval of any additional portions of the Agreement, nor has it requested any cost recovery or special accounting treatment for the Facility, ORS reserves its rights to review cost recovery or special accounting treatment at a future time.

If you have any questions, please do not hesitate to contact me.

Yours truly,



Jeffrey M. Nelson

cc: All Parties of Record (via E-mail)  
Joseph Melchers, Esquire (via E-mail)